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United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

August 14, 1996

MEMORANDUM

TO: Senator Bennett's Foreign Policy Aide
FROM: Betty Alonso
SUBJECT: Replies to questions submitted by Senator Coverdell
on behalf of Senator Bennett

Attached please find a reply from the Department of State to the additional questions submitted by Senator Bennett through Senator Coverdell's office in connection with the June 5, 1996 hearing on the Foreign Policy Implications of China MFN.

Attachment

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United States Department of State
Washington, D.C. 20520

August 6, 1996

Dear Mr. Chairman:

Following the June 5, 1996 hearing at which Assistant Secretary Winston Lord testified, additional questions were submitted for the record. Please find enclosed the responses to those questions.

If we can be of further assistance to you, please do not hesitate to contact us.

Sincerely,

A handwritten signature in cursive ink that appears to read "Barbara Larkin".

Barbara Larkin
Assistant Secretary
Legislative Affairs

Enclosures:

As stated.

The Honorable
Jesse Helms, Chairman,
Committee on Foreign Relations,
United States Senate.

Question for the Record submitted to A/S Winston Lord
by the Senate Foreign Relations Committee
during Hearings on China's Most-Favored-Nation Status
June 5, 1996

Q: On May 10, 1996 a State Department spokesperson stated the following:

"We believe that in this instance Chinese entities transferred custom-built ring magnets to an unsafeguarded Pakistani facility engaged in uranium enrichment and undertook other cooperation with unsafeguarded Pakistani facilities."

A. Please identify the Chinese entities, including subsidiaries and affiliates, which were involved in the ring magnet transfer to Pakistan.

A: The entity involved in the ring magnet transfer to Pakistan was the China Nuclear Energy Industry Corporation (CNEIC), a government-owned subsidiary of the China National Nuclear Corporation (CNNC).

B. Which "unsafeguarded Pakistani facility" received the ring magnets?

A: Khan Research Laboratories (KRL), the organization responsible for Pakistan's unsafeguarded uranium enrichment program, received the ring magnets. Our analysis of all the available information on this transaction indicates that the magnets were custom-built for use in Pakistan's gas centrifuge enrichment program.

C. What "other cooperation" did Chinese entities engage in with "unsafeguarded Pakistani facilities"?

A: There is a long-standing history of Chinese collaboration with Pakistan's unsafeguarded nuclear program. We have concerns about China's nuclear cooperation with Pakistan beyond the ring magnet transfer, including concerns related to both weapons development and production of unsafeguarded nuclear materials. We have made our concerns known to the Chinese government.

D. Which "unsafeguarded Pakistani facilities received this cooperation?"

A: As you are aware, there are a number of unsafeguarded nuclear facilities in Pakistan. We believe that unsafeguarded facilities which include the uranium enrichment facility operated by the Khan Research Laboratories (KRL) and, according to press reports, a project to construct a type of research reactor well-suited to the production of plutonium.

E. Were the same Chinese entities involved in both transfers? If not, please identify which Chinese entity was involved in which transfer or cooperation.

A: There appear to have been several Chinese entities involved in transfers to unsafeguarded nuclear facilities in Pakistan over the years. The state-owned Chinese firms that were involved in the ring magnet transfers to Pakistan have been identified in the media with other unsafeguarded nuclear facilities in Pakistan.

Question for the Record submitted to A/S Winston Lord
by the Senate Foreign Relations Committee
during Hearings on China's Most-Favored-Nation Status
June 5, 1996

Q: Given the State Department spokesman's statement quoted in Question 1 above, what is the official position of the United States government on whether the People's Republic of China violated its commitments under Articles I and III of the Treaty on the Non-Proliferation of Nuclear Weapons?

A: By joining the NPT in 1992, China made a binding international commitment not to assist any non-nuclear weapon state to acquire or to develop nuclear explosives and undertook to require IAEA safeguards on its nuclear exports. In the 1994 annual Arms Control Compliance Report (the so-called "Pell Report"), the Administration stated that, based on Beijing's longstanding nuclear ties with Islamabad, it was unclear whether China had broken off its contacts with elements associated with Pakistan's nuclear weapons program. The 1994 report did not conclude that China has violated its NPT commitments. Concerns remain about these contacts, as well as newer information on the transfer of ring magnets. The 1995 Arms Control Compliance Report, which reviews this question further, will be forwarded to Congress in the near term.

To contribute to a full common understanding between the United States and China of our NPT obligations, we have reached agreement with China to continue discussions on nuclear export controls, with a view to assuring the

development and application of fully effective export controls and practices. The results of these discussions thus far, as well as China's public statement that it would not provide assistance to unsafeguarded nuclear facilities and its confirmation of our understanding that this public commitment precludes future transfers of ring magnets to such facilities, are significant in clarifying Beijing's approach to its commitments under the NPT.

Question for the Record submitted to A/S Winston Lord
by the Senate Foreign Relations Committee
during Hearings on China's Most-Favored-Nation Status
June 5, 1996

Q: On February 22, 1996 Dr. John Deutch, Director of Central Intelligence, told the Senate Select Committee on Intelligence the following:

Mr. Chairman, the intelligence community continues to get accurate and timely information on Chinese activities that involve inappropriate weapons and military technology assistance to other countries: nuclear technology to Pakistan, M-11 missiles to Pakistan, cruise missiles to Iran.

The DCI later indicated to Chairman Specter that this information had been transferred to the State Department.

A. Is the "nuclear technology to Pakistan" the ring magnets transfer?

A: We have long expressed concern over China's nuclear cooperation with Pakistan. Part of that concern arose from the ring-magnet transfer issue and was addressed by the agreement that we reached in May. That said, we [would] think that Dr. Deutch is in the best position to explain what he meant by his statement.

B. What action does the State Department intend to take with reference to the "M-11 missiles to Pakistan"?

A: We continually monitor and evaluate reports of any missile transfers that could contribute to missile programs of concern and we take all reports of alleged proliferation very seriously, including reports of transfers of missile equipment and technology from China to Pakistan. Before a sanctions determination is made, we must review each element of the relevant laws.

You will recall that we imposed sanctions on China and Pakistan in 1993 for the transfer of missile equipment to Pakistan. Sanctions on China were lifted in October 1994 after China agreed not to export ground-to-ground MTCR-class missiles, and reaffirmed its previous commitments to abide by the MTCR Guidelines and Annex.

We have not made a determination that China has conducted activities inconsistent with that October 1994 commitment, nor that China and Pakistan have engaged in sanctionable activity through the transfer of MTCR-class missiles to Pakistan.

C. What action does the State Department intend to take with regard to the "cruise missiles to Iran"?

A: As a matter of policy, we have strongly condemned such transfers publicly, and we have raised our objections at the highest levels of the government of China.

Question for the Record submitted to A/S Winston Lord
by the Senate Foreign Relations Committee
during Hearings on China's Most-Favored-Nation Status
June 5, 1996

Q: On July 24, 1995 Mr. Steven Mufson, Beijing Correspondent for the Washington Post, reported in a front page story on "a U.S.-built F-16 given to China by Pakistan".

Has the United States government followed up this report to determine whether, indeed, an American F-16 was ever transferred by Pakistan to China or any other unapproved destination? If so, what was the result of that investigation?

A: Mr. Mufson's claim that Pakistan gave China a U.S.-built F-16 is the only such report that we have seen on that issue. We have no knowledge of any transfer of an F-16 to China.